



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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### **Floor Statement of U.S. Senator Max Baucus Regarding Tsunami Tax Relief Proposal**

(WASHINGTON, D.C.) Today, U.S. Senator Max Baucus (D-Mont), gave the following speech on the Senate floor regarding a tax proposal that would extend the period of time Americans can make charitable donations in order to assist victims of the earthquake and tsunami that hit Southeast Asia on December 26.

Full text of the floor speech follows:

Mr. President, today I rise to share a few remarks regarding the devastating disaster that has hit Southeast Asia. Many innocent victims continue to suffer the effects of one of the most devastating natural disasters in recent history. Congress, as well as all Americans, has a responsibility to assist these countries by donating time and fiscal relief. I urge my colleagues to act promptly to help.

While most of us were sleeping soundly after enjoying large holiday meals and spending time with family and friends, an earthquake with a magnitude of nine point zero violently shook the earth near the island of Sumatra on the western end of Indonesia. The sudden shift triggered waves as high as 30 feet, sending residents as well as tourists on the coasts of India, Thailand, Sri Lanka, and Indonesia running for their lives. Many of those people were not fortunate enough to escape the waves caused by the strongest earthquake in 40 years.

Survivors of the disaster described destruction of Biblical proportions. The tidal waves swept people out to sea from their beds, ripped children from their mother's arms, and washed whole villages away.

Americans watched with shock as news accounts inundated their televisions. At first, death tolls were in the thousands. Now, after a little more than a week, the toll has reached more than 150,000. Those who have survived the natural disaster, now face an even tougher battle to avoid disease, avert famine, and find shelter.

As we mourn the dead, we should do what we can to help the living. That is why today I have joined with Chairman Chuck Grassley to announce a plan that would extend the period of time Americans can make charitable donations in order to assist victims get back on their feet after suffering through a destructive catastrophe. Under this proposal, taxpayers would be permitted to claim a tax deduction in tax year 2004 for donations made specifically for tsunami relief until January 31, 2005. Under current law, taxpayers would have to wait until next year's

filing season to claim a tax deduction for tsunami related gifts made after December 31, 2004. The proposal would be limited to cash gifts made specifically for disaster relief.

The American people are the most generous in the world, and have helped preserve America's image as a benevolent and compassionate superpower. This proposal will give Americans an even greater incentive to give cash donations during the next month. American companies and individuals will receive their deduction this year rather than having to wait until next year to claim it.

Many relief organizations have asked for donations of cash which save money by eliminating shipping costs to transport goods from the U.S. and allows cash to flow into local economies stimulating growth. Mr. President, this tax proposal will allow Americans to donate crucial funds now and help relief organizations meet the needs of these suffering victims.

Southeast Asia is among the most beautiful, vibrant, and important regions in the world. I have had the privilege of traveling to this area of the world many times. Just last March I was in Bangkok, Thailand to urge closer trade relations between the United States and Thailand.

I also got to know many of the ambassadors from Southeast Asia when I hosted them on a tour of my home state of Montana last August. My heart goes out to them and their countrymen who are enduring this terrible tragedy.

I have full confidence that the region will recover. These countries have long histories rich in culture and tradition. Southeast Asia has been – and will be – an increasingly important engine of global growth. But like any region hit by a natural disaster of this magnitude, it will need our help. The United States will continue to lead the rest of the world in helping Southeast Asia heal. I encourage my Congressional colleagues to support this proposal so Americans can make cash donations and help serve those in need.

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